

STATE TEACHERS' RETIREMENT SYSTEM

INVESTMENT COMMITTEE

OPEN SESSION

SUBJECT: Investment Expenditures and
Other Income Update

ITEM NUMBER: 10

ATTACHMENT(S): 1

ACTION: _____

DATE OF MEETING: May 6, 1998

INFORMATION: X

PRESENTER: Ms. Okada

EXECUTIVE SUMMARY

Attachment 1 is a report as of March 31, 1998 of investment expenditures for the support and continuous appropriation budgets. Adjustments have been made to the projected 1997/98 expenditures based on mid-year assessments of the expenditure patterns. Included in the report are the following:

- \$ actual expenditures for fiscal year 1996/97
- \$ projected expenditures for fiscal year 1997/98
- \$ adjusted projections for fiscal year 1997/98
- \$ actual expenditures as of 03/31/98 for fiscal year 1997/98
- \$ securities lending income through 03/31/98 for fiscal year 1997/98

INVESTMENT COSTS				
	Actual thru 06/30/97	Projected	Revised Projected	
	1996/97	1997/98	(Dec/98)	Actual thru 03/31/98
			1997/98	1997/98
CATEGORY				
Portfolio Value (in billions)	\$75.00	\$81.85	\$81.85	\$86.46
EXPENDITURES				
Continuous Appropriations				
Dom. Equities-Active	\$6,112,089	\$11,000,000	\$4,600,000	\$2,439,906
Intl Eq-Active	13,432,133	14,700,000	14,700,000	11,731,086
Dom. Equities-Passive	337,500	450,000	450,000	337,500
Intl Eq-Passive	2,436,119	2,750,000	1,750,000	1,027,351
Emerging Markets	338,272	1,300,000	1,000,000	507,253
Global Asset Allocators	8,010,104	6,350,000	7,145,000	5,661,507
Fixed Income	0	0	0	0
Real Estate Advisors	6,907,348	7,250,000	5,750,000	4,591,486
Internal Contractors	423,500	0	0	0
Consultants (Gen./R.E.)	542,000	520,000	670,000	265,152
Alternative Investment	1,699,655	544,000	540,000	362,677
Alternative Investment**			385,972	385,972
Legal Services	218,352	645,000	400,000	92,239
Interagency Agreements	100,715	169,500	169,500	17,107
Custodian	2,059,686	2,150,000	2,500,000	1,825,161
Travel	110,124	250,000	150,000	61,195
Miscellaneous	220,734	150,000	125,000	125,850
Fiduciary Insurance	257,080	260,000	245,000	245,000
PERS	229,257	0	0	0
Coopers & Lybrand	0	0	0	0
Council of Inst. Investors	25,000	25,000	25,000	25,000
Miscellaneous Services	0	0	220000	255,668
Total Continuous Appr.	\$43,459,667	\$48,513,500	\$40,825,472	\$29,957,110
Support Budget				
Personal Services	\$2,499,864	\$2,581,100	\$2,581,100	\$1,910,012
Operating Exp & Equip	16,412	39,000	39,000	16,649
Total Support Budget	\$2,516,277	\$2,620,100	\$2,620,100	\$1,926,661
Total Investment Budget	\$45,975,943	\$51,133,600	\$43,445,572	\$31,883,771
Total Costs/Basis Points	6	6	5	N/A
Securities Lending Income	\$45,351,062			\$34,512,331
** Final payment to Abbott Capital Management				